

AMENDED IN ASSEMBLY SEPTEMBER 6, 2005

AMENDED IN ASSEMBLY SEPTEMBER 2, 2005

AMENDED IN ASSEMBLY AUGUST 25, 2005

AMENDED IN ASSEMBLY JULY 11, 2005

AMENDED IN SENATE MARCH 29, 2005

SENATE BILL

No. 457

Introduced by Senator Kehoe

(Principal coauthor: Assembly Member Nava)

(Coauthor: Senator Campbell)

(Coauthor: Assembly Member Vargas)

February 18, 2005

An act to amend Section 8686 of the Government Code, and to amend Sections 218, 17207, and 24347.5 of, and to add Sections ~~195.93, 195.94, and 195.98~~ 195.98, 195.99, and 195.100 to, the Revenue and Taxation Code, relating to taxation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 457, as amended, Kehoe. Disaster relief.

(1) Existing law authorizes a county board of supervisors to provide by ordinance for the reassessment of property that is damaged or destroyed, without fault on the part of the assessee, by a major misfortune or calamity, upon the application of the assessee or upon the action of the county assessor with the board's approval. With respect to certain counties that have adopted reassessment ordinances and have been declared by the Governor to be in a state of emergency as a result of certain events, existing law provides for state allocations

of the estimated amounts of the reductions in property tax revenues resulting in certain fiscal years from reassessments under those ordinances. Existing law also continuously appropriates, without regard to fiscal years, moneys in the Special Fund for Economic Uncertainties for purposes of funding these state allocations.

This bill would provide for similar state allocations with respect to property tax revenue reductions, resulting from a reassessment ordinance, incurred by the Counties of Orange, Riverside, San Bernardino, and San Diego which were declared by the Governor to be in a state of emergency as a result of a series of severe rainstorms that occurred in those counties during December 2004, January 2005, February 2005, March 2005, and June 2005. By requiring moneys continuously appropriated from the Special Fund for Economic Uncertainties to be allocated for the new purpose of reimbursing these counties for these property tax revenue reductions, this bill would make an appropriation.

(2) The Natural Disaster Assistance Act provides for, among other things, specified allocations to local agencies with respect to natural disasters.

This bill would include within those provisions the disaster that occurred *in the Counties of Orange, Riverside, San Bernardino, and San Diego* as a result of the severe rainstorms during December 2004, January 2005, and February 2005, as provided.

(3) The Personal Income Tax Law and the Corporation Tax Law provide for the carryover to specified taxable years of specified losses sustained as a result of certain disasters occurring in California in an area determined by the President of the United States to warrant specified federal assistance, or proclaimed by the Governor to be in a state of emergency.

This bill would extend these provisions to losses sustained as a result of the series of severe rainstorms and related events that occurred in the Counties of ~~Kern, Los Angeles,~~ Orange, Riverside, San Bernardino, *and* San Diego, ~~Santa Barbara, and Ventura~~ in December 2004, January 2005, February 2005, March 2005, or June 2005. This bill would also authorize a taxpayer to make an election to claim a deduction for those losses on the tax return for the preceding year.

(4) Existing property tax law provides, pursuant to a specified provision of the California Constitution, for a homeowners' property tax exemption in the amount of \$7,000 of the full value of a

“dwelling,” as defined. The California Constitution requires the Legislature, in each fiscal year, to reimburse local governments for the revenue losses incurred by those governments in that fiscal year as a result of the homeowners’ property tax exemption.

This bill would provide that any dwelling that qualified for the exemption prior to December 28, 2004, that was damaged or destroyed by severe rainstorms, floods, mudslides, or the accumulation of debris in a disaster may not be denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, as provided. This bill would also state the intent of the Legislature to make the required reimbursement to local governments for revenue losses incurred as a result of the homeowners’ exemption in the annual Budget Act.

By requiring local tax officials to implement new exemption criteria, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(5) This bill would incorporate additional changes to Sections 218, 17207, and 24347.5 of the Revenue and Taxation Code, proposed by AB 18 and AB 164, to be operative only if AB 18, AB 164, and this bill are all enacted, all 3 bills amend the respective sections, and this bill is enacted after AB 18 or AB 164. Additionally, this bill would provide that it will not become operative unless AB 164 and this bill are both chaptered and become effective on or before January 1, 2006.

(6) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 8686 of the Government Code is
2 amended to read:

1 8686. (a) For any eligible project, the state share shall
2 amount to no more than 75 percent of total state eligible costs.

3 (b) Notwithstanding subdivision (a), the state share shall be up
4 to 100 percent of total state eligible costs connected with the
5 following events:

6 (1) The October 17, 1989, Loma Prieta earthquake.

7 (2) The October 20, 1991, East Bay fire.

8 (3) The fires that occurred in southern California from October
9 1, 1993, to November 30, 1993, inclusive.

10 (4) The January 17, 1994, Northridge earthquake.

11 (5) Storms that occurred in California during the periods
12 commencing January 3, 1995, and February 13, 1995, as
13 specified in agreements between this state and the United States
14 for federal financial assistance.

15 (6) The storms that occurred in California in December of
16 1996 and early January of 1997, as specified in agreements
17 between this state and the United States for federal financial
18 assistance.

19 (7) The winter storms and flooding that occurred from
20 February 1, 1998, to April 30, 1998, inclusive, as specified in
21 agreements between this state and the United States for federal
22 financial assistance.

23 (8) The wildfires that occurred in southern California
24 commencing October 21, 2003, as specified in agreements
25 between this state and the United States for federal financial
26 assistance.

27 (9) The December 22, 2003, San Simeon earthquake, as
28 specified in agreements between this state and the United States
29 for federal financial assistance.

30 (10) The severe storms, flooding, debris flows, and mudslides
31 that occurred from December 27, 2004, to January 11, 2005,
32 inclusive, in southern California, as specified in agreements
33 between California and the United States for federal financial
34 assistance.

35 (11) The severe storms, flooding, landslides, and mud and
36 debris flows that occurred from February 16, 2005, to February
37 23, 2005, inclusive, in southern California, as specified in
38 agreements between California and the United States for federal
39 financial assistance.

(c) For any federally declared disaster subsequent to January 1, 1995, that the Legislature has designated in subdivision (b), the state shall assume the increased share specified in subdivision (b) in those cases where the Federal Emergency Management Agency or another applicable federal agency has approved the federal share of costs.

(d) The state shall make no allocation for any project application resulting in a state share of less than two thousand five hundred dollars (\$2,500) under this section.

SEC. 2. Section 195.98 is added to the Revenue and Taxation Code, to read:

195.98. (a) By September 30, 2005, the auditors of the Counties of Orange, Riverside, San Bernardino, and San Diego, which counties were the subject of the Governor's proclamations of a state of emergency for the severe rainstorms that occurred in December 2004, January 2005, February 2005, or March 2005, that caused flash floods, mudslides, the accumulation of debris, and that washed out and damaged roads in those counties, shall certify to the Director of Finance an estimate of the total amount of the reduction in property tax revenues on both the regular secured roll and the supplemental roll for the 2004-05 fiscal year resulting from the reassessment by the county assessor pursuant to paragraph (1) of subdivision (a) of Section 170 of those properties that are eligible properties as a result of that disaster, except that the amount certified shall not include any estimated property tax revenue reductions to school districts, other than basic state aid school districts, and county offices of education.

(b) For purposes of this section, "basic state aid school district" means any school district that does not receive a state apportionment pursuant to subdivision (h) of Section 42238 of the Education Code, but receives from the state only a basic apportionment pursuant to Section 6 of Article IX of the California Constitution.

SEC. 3. Section ~~195.93~~ 195.99 is added to the Revenue and Taxation Code, to read:

~~195.93.~~

195.99. After the county auditor of an eligible county, as described in Section ~~195.92~~ 195.98, has made the applicable certification to the Director of Finance pursuant to that section, the director shall, within 30 days after verification of the county

1 auditor's estimate, certify this amount to the Controller for
2 allocation to the county. Upon receipt of certification from the
3 Director of Finance, the Controller shall make the appropriate
4 allocation to the county within 10 working days.

5 SEC. 4. Section ~~195.94~~195.100 is added to the Revenue and
6 Taxation Code, to read:

7 ~~195.94.~~

8 195.100. (a) On or before June 30, 2006, each eligible
9 county, as described in Section~~195.92~~ 195.98, shall compute and
10 remit to the Controller for deposit in the General Fund an amount
11 equal to the amount allocated to it by the Controller pursuant to
12 Section~~195.93~~ 195.99, less the actual amount of its property tax
13 revenue lost on the regular secured and supplemental rolls with
14 respect to those eligible properties described in Section~~195.92~~
15 195.98 as a result of the reassessment of those properties
16 pursuant to paragraph (1) of subdivision (a) of Section 170,
17 excluding any property tax revenue lost by school districts, other
18 than basic state aid school districts, and county offices of
19 education. If the actual amount of property tax revenue lost by an
20 eligible county in the immediately preceding fiscal year, as
21 described and limited in the preceding sentence, exceeds the
22 amount allocated by the Controller to that county pursuant to
23 Section~~195.93~~, 195.99, the Controller shall allocate the amount
24 of that excess to that eligible county.

25 (b) For purposes of this section, "basic state aid school
26 district" means any school district that does not receive a state
27 apportionment pursuant to subdivision (h) of Section 42238 of
28 the Education Code, but receives from the state only a basic
29 apportionment pursuant to Section 6 of Article IX of the
30 California Constitution.

31 SEC. 5. Section 218 of the Revenue and Taxation Code is
32 amended to read:

33 218. (a) The homeowners' property tax exemption is in the
34 amount of the assessed value of the dwelling specified in this
35 section, as authorized by subdivision (k) of Section 3 of Article
36 XIII of the California Constitution. That exemption shall be in
37 the amount of seven thousand dollars (\$7,000) of the full value of
38 the dwelling.

39 (b) The exemption does not extend to property that is rented,
40 vacant, under construction on the lien date, or that is a vacation

1 or secondary home of the owner or owners, nor does it apply to
2 property on which an owner receives the veteran's exemption.

3 (c) For purposes of this section, all of the following apply:

4 (1) "Owner" includes a person purchasing the dwelling under
5 a contract of sale or who holds shares or membership in a
6 cooperative housing corporation, which holding is a requisite to
7 the exclusive right of occupancy of a dwelling.

8 (2) (A) "Dwelling" means a building, structure, or other
9 shelter constituting a place of abode, whether real property or
10 personal property, and any land on which it may be situated. A
11 two-dwelling unit shall be considered as two separate
12 single-family dwellings.

13 (B) "Dwelling" includes the following:

14 (i) A single-family dwelling occupied by an owner thereof as
15 his or her principal place of residence on the lien date.

16 (ii) A multiple-dwelling unit occupied by an owner thereof on
17 the lien date as his or her principal place of residence.

18 (iii) A condominium occupied by an owner thereof as his or
19 her principal place of residence on the lien date.

20 (iv) Premises occupied by the owner of shares or a
21 membership interest in a cooperative housing corporation, as
22 defined in subdivision (i) of Section 61, as his or her principal
23 place of residence on the lien date. Each exemption allowed
24 pursuant to this subdivision shall be deducted from the total
25 assessed valuation of the cooperative housing corporation. The
26 exemption shall be taken into account in apportioning property
27 taxes among owners of share or membership interests in the
28 cooperative housing corporations so as to benefit those owners
29 who qualify for the exemption.

30 (d) Any dwelling that qualified for an exemption under this
31 section prior to October 20, 1991, that was damaged or destroyed
32 by fire in a disaster, as declared by the Governor, occurring on or
33 after October 20, 1991, and before November 1, 1991, and that
34 has not changed ownership since October 20, 1991, shall not be
35 disqualified as a "dwelling" or be denied an exemption under this
36 section solely on the basis that the dwelling was temporarily
37 damaged or destroyed or was being reconstructed by the owner.

38 (e) Any dwelling that qualified for an exemption under this
39 section prior to October 15, 2003, that was damaged or destroyed
40 by fire or earthquake in a disaster, as declared by the Governor,

1 during October, November, or December 2003, and that has not
2 changed ownership since October 15, 2003, shall not be
3 disqualified as a “dwelling” or be denied an exemption under this
4 section solely on the basis that the dwelling was temporarily
5 damaged or destroyed or was being reconstructed by the owner.

6 (f) Any dwelling that qualified for an exemption under this
7 section prior to June 3, 2004, that was damaged or destroyed by
8 flood in a disaster, as declared by the Governor, during June
9 2004, and that has not changed ownership since June 3, 2004,
10 shall not be disqualified as a “dwelling” or be denied an
11 exemption under this section solely on the basis that the dwelling
12 was temporarily damaged or destroyed or was being
13 reconstructed by the owner.

14 (g) Any dwelling that qualified for an exemption under this
15 section prior to December 28, 2004, that was damaged or
16 destroyed by severe rainstorms, floods, mudslides, or the
17 accumulation of debris in a disaster, as declared by the Governor,
18 during December 2004, January 2005, February 2005, March
19 2005, or June 2005, and that has not changed ownership since
20 December 28, 2004, shall not be disqualified as a “dwelling” or
21 be denied an exemption under this section solely on the basis that
22 the dwelling was temporarily damaged or destroyed or was being
23 reconstructed by the owner, or was temporarily uninhabited as a
24 result of restricted access to the property due to floods,
25 mudslides, the accumulation of debris, or washed-out or
26 damaged roads.

27 (h) The exemption provided for in subdivision (k) of Section 3
28 of Article XIII of the California Constitution shall first be applied
29 to the building, structure, or other shelter and the excess, if any,
30 shall be applied to any land on which it may be located.

31 SEC. 5.5. Section 218 of the Revenue and Taxation Code is
32 amended to read:

33 218. (a) The homeowners’ property tax exemption is in the
34 amount of the assessed value of the dwelling specified in this
35 section, as authorized by subdivision (k) of Section 3 of Article
36 XIII of the California Constitution. That exemption shall be in
37 the amount of seven thousand dollars (\$7,000) of the full value of
38 the dwelling.

39 (b) The exemption does not extend to property that is rented,
40 vacant, under construction on the lien date, or that is a vacation

1 or secondary home of the owner or owners, nor does it apply to
2 property on which an owner receives the veteran's exemption.

3 (c) For purposes of this section, all of the following apply:

4 (1) "Owner" includes a person purchasing the dwelling under
5 a contract of sale or who holds shares or membership in a
6 cooperative housing corporation, which holding is a requisite to
7 the exclusive right of occupancy of a dwelling.

8 (2) (A) "Dwelling" means a building, structure, or other
9 shelter constituting a place of abode, whether real property or
10 personal property, and any land on which it may be situated. A
11 two-dwelling unit shall be considered as two separate
12 single-family dwellings.

13 (B) "Dwelling" includes the following:

14 (i) A single-family dwelling occupied by an owner thereof as
15 his or her principal place of residence on the lien date.

16 (ii) A multiple-dwelling unit occupied by an owner thereof on
17 the lien date as his or her principal place of residence.

18 (iii) A condominium occupied by an owner thereof as his or
19 her principal place of residence on the lien date.

20 (iv) Premises occupied by the owner of shares or a
21 membership interest in a cooperative housing corporation, as
22 defined in subdivision (i) of Section 61, as his or her principal
23 place of residence on the lien date. Each exemption allowed
24 pursuant to this subdivision shall be deducted from the total
25 assessed valuation of the cooperative housing corporation. The
26 exemption shall be taken into account in apportioning property
27 taxes among owners of share or membership interests in the
28 cooperative housing corporations so as to benefit those owners
29 who qualify for the exemption.

30 (d) Any dwelling that qualified for an exemption under this
31 section prior to October 20, 1991, that was damaged or destroyed
32 by fire in a disaster, as declared by the Governor, occurring on or
33 after October 20, 1991, and before November 1, 1991, and that
34 has not changed ownership since October 20, 1991, shall not be
35 disqualified as a "dwelling" or be denied an exemption under this
36 section solely on the basis that the dwelling was temporarily
37 damaged or destroyed or was being reconstructed by the owner.

38 (e) Any dwelling that qualified for an exemption under this
39 section prior to October 15, 2003, that was damaged or destroyed
40 by fire or earthquake in a disaster, as declared by the Governor,

1 during October, November, or December 2003, and that has not
2 changed ownership since October 15, 2003, shall not be
3 disqualified as a “dwelling” or be denied an exemption under this
4 section solely on the basis that the dwelling was temporarily
5 damaged or destroyed or was being reconstructed by the owner.

6 (f) Any dwelling that qualified for an exemption under this
7 section prior to June 3, 2004, that was damaged or destroyed by
8 flood in a disaster, as declared by the Governor, during June
9 2004, and that has not changed ownership since June 3, 2004,
10 shall not be disqualified as a “dwelling” or be denied an
11 exemption under this section solely on the basis that the dwelling
12 was temporarily damaged or destroyed or was being
13 reconstructed by the owner.

14 (g) Any dwelling that qualified for an exemption under this
15 section prior to August 11, 2004, that was damaged or destroyed
16 by the wildfires and any other related casualty that occurred in
17 Shasta County in a disaster, as declared by the Governor, during
18 August 2004, and that has not changed ownership since August
19 11, 2004, shall not be disqualified as a “dwelling” or be denied
20 an exemption under this section solely on the basis that the
21 dwelling was temporarily damaged or destroyed or was being
22 reconstructed by the owner.

23 (h) Any dwelling that qualified for an exemption under this
24 section prior to December 28, 2004, that was damaged or
25 destroyed by severe rainstorms, floods, mudslides, or the
26 accumulation of debris in a disaster, as declared by the Governor,
27 during December 2004, January 2005, February 2005, March
28 2005, or June 2005, and that has not changed ownership since
29 December 28, 2004, shall not be disqualified as a “dwelling” or
30 be denied an exemption under this section solely on the basis that
31 the dwelling was temporarily damaged or destroyed or was being
32 reconstructed by the owner, or was temporarily uninhabited as a
33 result of restricted access to the property due to floods,
34 mudslides, the accumulation of debris, or washed out or damaged
35 roads.

36 (i) The exemption provided for in subdivision (k) of Section 3
37 of Article XIII of the California Constitution shall first be applied
38 to the building, structure, or other shelter and the excess, if any,
39 shall be applied to any land on which it may be located.

SEC. 6. Section 17207 of the Revenue and Taxation Code is amended to read:

17207. (a) An excess disaster loss, as defined in subdivision (c), shall be carried to other taxable years as provided in subdivision (b), with respect to losses resulting from any of the following disasters:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

(4) Earthquake, aftershock, or any other related casualty occurring in 1987 in California.

(5) Earthquake, aftershock, or any other related casualty occurring in 1989 in California.

(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.

(7) Any loss sustained as a result of the Oakland/Berkeley fire of 1991, or any other related casualty.

(8) Any loss sustained as a result of storm, flooding, or any other related casualty occurring in February 1992 in California.

(9) Earthquake, aftershock, or any other related casualty occurring in April 1992 in the County of Humboldt.

(10) Riots, arson, or any other related casualty occurring in April or May 1992 in California.

(11) Any loss sustained as a result of the earthquakes that occurred in the County of San Bernardino in June and July of 1992, or any other related casualty.

(12) Any loss sustained as a result of the Fountain Fire that occurred in the County of Shasta, or as a result of either of the fires in the Counties of Calaveras and Trinity that occurred in August 1992, or any other related casualty.

(13) Any loss sustained as a result of storm, flooding, or any other related casualty that occurred in the Counties of Alpine, Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles, Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas, Riverside, San Bernardino, San Diego, Santa Barbara, Sierra, Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of Fillmore in January 1993.

1 (14) Any loss sustained as a result of a fire that occurred in the
2 Counties of Los Angeles, Orange, Riverside, San Bernardino,
3 San Diego, and Ventura, during October or November of 1993,
4 or any other related casualty.

5 (15) Any loss sustained as a result of the earthquake,
6 aftershocks, or any other related casualty that occurred in the
7 Counties of Los Angeles, Orange, and Ventura on or after
8 January 17, 1994.

9 (16) Any loss sustained as a result of a fire that occurred in the
10 County of San Luis Obispo during August of 1994, or any other
11 related casualty.

12 (17) Any loss sustained as a result of the storms or flooding
13 occurring in 1995, or any other related casualty, sustained in any
14 county of this state subject to a disaster declaration with respect
15 to the storms and flooding.

16 (18) Any loss sustained as a result of the storms or flooding
17 occurring in December 1996 or January 1997, or any related
18 casualty, sustained in any county of this state subject to a disaster
19 declaration with respect to the storms or flooding.

20 (19) Any loss sustained as a result of the storms or flooding
21 occurring in February 1998, or any related casualty, sustained in
22 any county of this state subject to a disaster declaration with
23 respect to the storms or flooding.

24 (20) Any loss sustained as a result of a freeze occurring in the
25 winter of 1998-99, or any related casualty, sustained in any
26 county of this state subject to a disaster declaration with respect
27 to the freeze.

28 (21) Any loss sustained as a result of an earthquake occurring
29 in September 2000, that was included in the Governor's
30 proclamation of a state of emergency for the County of Napa.

31 (22) Any loss sustained as a result of the Middle River levee
32 break in San Joaquin County occurring in June 2004.

33 (23) Any losses sustained as a result of the fires that occurred
34 in the Counties of Los Angeles, ~~San Bernardino, Riverside~~
35 ~~Riverside, San Bernardino~~, San Diego, and Ventura in October
36 and November 2003, or as a result of floods, mudflows, and
37 debris flows, directly related to fires.

38 (24) Any losses sustained in the Counties of Santa Barbara and
39 San Luis Obispo as a result of the San Simeon earthquake,
40 aftershocks, and any other related casualties.

(25) Any loss sustained in the Counties of ~~Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura~~ and *San Diego* as a result of the severe rainstorms, and related flooding, slides, and other events, that occurred in December 2004, January 2005, February 2005, March 2005, or June 2005.

(b) (1) In the case of any loss allowed under Section 165(c) of the Internal Revenue Code, relating to limitation of losses of individuals, any excess disaster loss shall be carried forward to each of the five taxable years following the taxable year for which the loss is claimed. However, if there is any excess disaster loss remaining after the five-year period, then the applicable percentage, as set forth in paragraph (1) of subdivision (b) of Section 17276, of that excess disaster loss shall be carried forward to each of the next 10 taxable years.

(2) The entire amount of any excess disaster loss as defined in subdivision (c) shall be carried to the earliest of the taxable years to which, by reason of subdivision (b), the loss may be carried. The portion of the loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of excess disaster loss over the sum of the adjusted taxable income for each of the prior taxable years to which that excess disaster loss is carried.

(c) “Excess disaster loss” means a disaster loss computed pursuant to Section 165 of the Internal Revenue Code which exceeds the adjusted taxable income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the adjusted taxable income of the year preceding the loss.

(d) The provisions of this section and Section 165(i) of the Internal Revenue Code shall be applicable to any of the losses listed in subdivision (a) sustained in any county or city in this state which was proclaimed by the Governor to be in a state of disaster.

(e) Losses allowable under this section may not be taken into account in computing a net operating loss deduction under Section 172 of the Internal Revenue Code.

(f) For purposes of this section, “adjusted taxable income” shall be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

(g) For losses described in paragraphs (15) to (25), inclusive, of subdivision (a), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the taxable year in which the disaster occurred.

SEC. 6.5. Section 17207 of the Revenue and Taxation Code is amended to read:

17207. (a) An excess disaster loss, as defined in subdivision (c), shall be carried to other taxable years as provided in subdivision (b), with respect to losses resulting from any of the following disasters:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

(4) Earthquake, aftershock, or any other related casualty occurring in 1987 in California.

(5) Earthquake, aftershock, or any other related casualty occurring in 1989 in California.

(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.

(7) Any loss sustained as a result of the Oakland/Berkeley Fire of 1991, or any other related casualty.

(8) Any loss sustained as a result of storm, flooding, or any other related casualty occurring in February 1992 in California.

(9) Earthquake, aftershock, or any other related casualty occurring in April 1992 in the County of Humboldt.

(10) Riots, arson, or any other related casualty occurring in April or May 1992 in California.

(11) Any loss sustained as a result of the earthquakes that occurred in the County of San Bernardino in June and July of 1992, or any other related casualty.

(12) Any loss sustained as a result of the Fountain Fire that occurred in the County of Shasta, or as a result of either of the fires in the Counties of Calaveras and Trinity that occurred in August 1992, or any other related casualty.

1 (13) Any loss sustained as a result of storm, flooding, or any
2 other related casualty that occurred in the Counties of Alpine,
3 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
4 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
5 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
6 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
7 Fillmore in January 1993.

8 (14) Any loss sustained as a result of a fire that occurred in the
9 Counties of Los Angeles, Orange, Riverside, San Bernardino,
10 San Diego, and Ventura, during October or November of 1993,
11 or any other related casualty.

12 (15) Any loss sustained as a result of the earthquake,
13 aftershocks, or any other related casualty that occurred in the
14 Counties of Los Angeles, Orange, and Ventura on or after
15 January 17, 1994.

16 (16) Any loss sustained as a result of a fire that occurred in the
17 County of San Luis Obispo during August of 1994, or any other
18 related casualty.

19 (17) Any loss sustained as a result of the storms or flooding
20 occurring in 1995, or any other related casualty, sustained in any
21 county of this state subject to a disaster declaration with respect
22 to the storms and flooding.

23 (18) Any loss sustained as a result of the storms or flooding
24 occurring in December 1996 or January 1997, or any related
25 casualty, sustained in any county of this state subject to a disaster
26 declaration with respect to the storms or flooding.

27 (19) Any loss sustained as a result of the storms or flooding
28 occurring in February 1998, or any related casualty, sustained in
29 any county of this state subject to a disaster declaration with
30 respect to the storms or flooding.

31 (20) Any loss sustained as a result of a freeze occurring in the
32 winter of 1998-99, or any related casualty, sustained in any
33 county of this state subject to a disaster declaration with respect
34 to the freeze.

35 (21) Any loss sustained as a result of an earthquake occurring
36 in September 2000, that was included in the Governor's
37 proclamation of a state of emergency for the County of Napa.

38 (22) Any loss sustained as a result of the Middle River levee
39 break in San Joaquin County occurring in June 2004.

1 (23) Any losses sustained as a result of the fires that occurred
2 in the Counties of Los Angeles, ~~San Bernardino, Riverside~~
3 ~~Riverside, San Bernardino~~, San Diego, and Ventura in October
4 and November 2003, or as a result of floods, mudflows, and
5 debris flows, directly related to fires.

6 (24) Any losses sustained in the Counties of Santa Barbara and
7 San Luis Obispo as a result of the San Simeon earthquake,
8 aftershocks, and any other related casualties.

9 (25) Any losses sustained as a result of the wildfires that
10 occurred in Shasta County, commencing August 11, 2004, and
11 any other related casualty.

12 (26) Any loss sustained in the Counties of Kern, Los Angeles,
13 ~~Orange, Riverside, San Bernardino, San Diego, Santa Barbara,~~
14 ~~Santa Barbara~~, and Ventura as a result of the severe rainstorms,
15 related flooding and slides, and any other related casualties, that
16 occurred in December 2004, January 2005, February 2005,
17 ~~March 2005, or June 2005 or March 2005.~~

18 (27) *Any loss sustained in the Counties of Orange, Riverside,*
19 *San Bernardino, and San Diego as a result of the severe*
20 *rainstorms, and related flooding, slides, and other events, that*
21 *occurred in December 2004, January 2005, February 2005,*
22 *March 2005, or June 2005.*

23 (b) (1) In the case of any loss allowed under Section 165(c) of
24 the Internal Revenue Code, relating to limitation of losses of
25 individuals, any excess disaster loss shall be carried forward to
26 each of the five taxable years following the taxable year for
27 which the loss is claimed. However, if there is any excess
28 disaster loss remaining after the five-year period, then the
29 applicable percentage, as set forth in paragraph (1) of subdivision
30 (b) of Section 17276, of that excess disaster loss shall be carried
31 forward to each of the next 10 taxable years.

32 (2) The entire amount of any excess disaster loss as defined in
33 subdivision (c) shall be carried to the earliest of the taxable years
34 to which, by reason of subdivision (b), the loss may be carried.
35 The portion of the loss which shall be carried to each of the other
36 taxable years shall be the excess, if any, of the amount of excess
37 disaster loss over the sum of the adjusted taxable income for each
38 of the prior taxable years to which that excess disaster loss is
39 carried.

1 (c) “Excess disaster loss” means a disaster loss computed
2 pursuant to Section 165 of the Internal Revenue Code which
3 exceeds the adjusted taxable income of the year of loss or, if the
4 election under Section 165(i) of the Internal Revenue Code is
5 made, the adjusted taxable income of the year preceding the loss.

6 (d) The provisions of this section and Section 165(i) of the
7 Internal Revenue Code shall be applicable to any of the losses
8 listed in subdivision (a) sustained in any county or city in this
9 state which was proclaimed by the Governor to be in a state of
10 disaster.

11 (e) Losses allowable under this section may not be taken into
12 account in computing a net operating loss deduction under
13 Section 172 of the Internal Revenue Code.

14 (f) For purposes of this section, “adjusted taxable income”
15 shall be defined by Section 1212(b)(2)(B) of the Internal
16 Revenue Code.

17 (g) For losses described in paragraphs (15) to (26), inclusive,
18 of subdivision (a), the election under Section 165(i) of the
19 Internal Revenue Code may be made on a return or amended
20 return filed on or before the due date of the return (determined
21 with regard to extension) for the taxable year in which the
22 disaster occurred.

23 SEC. 7. Section 24347.5 of the Revenue and Taxation Code
24 is amended to read:

25 24347.5. (a) An excess disaster loss, as defined in
26 subdivision (c), shall be carried to other taxable years as provided
27 in subdivision (b), with respect to losses resulting from any of the
28 following disasters:

29 (1) Forest fire or any other related casualty occurring in 1985
30 in California.

31 (2) Storm, flooding, or any other related casualty occurring in
32 1986 in California.

33 (3) Any loss sustained during 1987 as a result of a forest fire
34 or any other related casualty.

35 (4) Earthquake, aftershock, or any other related casualty
36 occurring in October 1987 in California.

37 (5) Earthquake, aftershock, or any other related casualty
38 occurring in October 1989 in California.

39 (6) Any loss sustained during 1990 as a result of fire or any
40 other related casualty in California.

1 (7) Any loss sustained as a result of the Oakland/Berkeley fire
2 of 1991, or any other related casualty.

3 (8) Any loss sustained as a result of storm, flooding, or any
4 other related casualty occurring in February 1992 in California.

5 (9) Earthquake, aftershock, or any other related casualty
6 occurring in April 1992 in the County of Humboldt.

7 (10) Riots, arson, or any other related casualty occurring in
8 April or May 1992 in California.

9 (11) Any loss sustained as a result of the earthquakes or any
10 other related casualty that occurred in the County of San
11 Bernardino in June and July of 1992.

12 (12) Any loss sustained as a result of the Fountain Fire that
13 occurred in the County of Shasta, or as a result of either of the
14 fires in the Counties of Calaveras and Trinity that occurred in
15 August 1992, or any other related casualty.

16 (13) Any loss sustained as a result of storm, flooding, or any
17 other related casualty that occurred in the Counties of Alpine,
18 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
19 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
20 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
21 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
22 Fillmore in January 1993.

23 (14) Any loss sustained as a result of a fire that occurred in the
24 Counties of Los Angeles, Orange, Riverside, San Bernardino,
25 San Diego, and Ventura, during October or November of 1993,
26 or any other related casualty.

27 (15) Any loss sustained as a result of the earthquake,
28 aftershocks, or any other related casualty that occurred in the
29 Counties of Los Angeles, Orange, and Ventura on or after
30 January 17, 1994.

31 (16) Any loss sustained as a result of a fire that occurred in the
32 County of San Luis Obispo during August of 1994, or any other
33 related casualty.

34 (17) Any loss sustained as a result of the storms or flooding
35 occurring in 1995, or any other related casualty, sustained in any
36 county of this state subject to a disaster declaration with respect
37 to the storms and flooding.

38 (18) Any loss sustained as a result of the storms or flooding
39 occurring in December 1996 or January 1997, or any related

casualty, sustained in any county of this state subject to a disaster declaration with respect to the storms or flooding.

(19) Any loss sustained as a result of the storms or flooding occurring in February 1998, or any related casualty, sustained in any county of this state subject to a disaster declaration with respect to the storms or flooding.

(20) Any loss sustained as a result of a freeze occurring in the winter of 1998-99, or any related casualty, sustained in any county of this state subject to a disaster declaration with respect to the freeze.

(21) Any loss sustained as a result of an earthquake occurring in September 2000, that was included in the Governor's proclamation of a state of emergency for the County of Napa.

(22) Any loss sustained as a result of the Middle River levee break in San Joaquin County occurring in June 2004.

(23) Any losses sustained as a result of the fires that occurred in the Counties of Los Angeles, San Bernardino, Riverside, San Diego, and Ventura in October and November 2003, or as a result of floods, mudflows, and debris flows, directly related to fires.

(24) Any losses sustained in the Counties of Santa Barbara and San Luis Obispo as a result of the San Simeon earthquake, aftershocks, and any other related casualties.

(25) Any loss sustained in the Counties of ~~Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura~~ and San Diego as a result of the severe rainstorms, and related flooding, slides, and other events, that occurred in December 2004, January 2005, February 2005, March 2005, or June 2005.

(b) (1) In the case of any loss allowed under Section 165 of the Internal Revenue Code, relating to losses, any excess disaster loss shall be carried forward to each of the five taxable years following the taxable year for which the loss is claimed. However, if there is any excess disaster loss remaining after the five-year period, then the applicable percentage, as set forth in paragraph (1) of subdivision (b) of Section 24416, of that excess disaster loss shall be carried forward to each of the next 10 taxable years.

(2) The entire amount of any excess disaster loss as defined in subdivision (c) shall be carried to the earliest of the taxable years

1 to which, by reason of subdivision (b), the loss may be carried.
2 The portion of the loss which shall be carried to each of the other
3 taxable years shall be the excess, if any, of the amount of excess
4 disaster loss over the sum of the net income for each of the prior
5 taxable years to which that excess disaster loss is carried.

6 (c) "Excess disaster loss" means a disaster loss computed
7 pursuant to Section 165 of the Internal Revenue Code, which
8 exceeds the net income of the year of loss or, if the election
9 under Section 165(i) of the Internal Revenue Code is made, the
10 net income of the year preceding the loss.

11 (d) The provisions of this section and Section 165(i) of the
12 Internal Revenue Code shall be applicable to any of the losses
13 listed in subdivision (a) sustained in any county or city in this
14 state which was proclaimed by the Governor to be in a state of
15 disaster.

16 (e) Any corporation subject to the provisions of Section 25101
17 or 25101.15 that has disaster losses pursuant to this section, shall
18 determine the excess disaster loss to be carried to other taxable
19 years under the principles specified in Section 25108 relating to
20 net operating losses.

21 (f) Losses allowable under this section may not be taken into
22 account in computing a net operating loss deduction under
23 Section 172 of the Internal Revenue Code.

24 (g) For losses described in paragraphs (15) to (25), inclusive,
25 of subdivision (a), the election under Section 165(i) of the
26 Internal Revenue Code may be made on a return or amended
27 return filed on or before the due date of the return (determined
28 with regard to extension) for the taxable year in which the
29 disaster occurred.

30 SEC. 7.5. Section 24347.5 of the Revenue and Taxation Code
31 is amended to read:

32 24347.5. (a) An excess disaster loss, as defined in
33 subdivision (c), shall be carried to other taxable years as provided
34 in subdivision (b), with respect to losses resulting from any of the
35 following disasters:

36 (1) Forest fire or any other related casualty occurring in 1985
37 in California.

38 (2) Storm, flooding, or any other related casualty occurring in
39 1986 in California.

1 (3) Any loss sustained during 1987 as a result of a forest fire
2 or any other related casualty.

3 (4) Earthquake, aftershock, or any other related casualty
4 occurring in October 1987 in California.

5 (5) Earthquake, aftershock, or any other related casualty
6 occurring in October 1989 in California.

7 (6) Any loss sustained during 1990 as a result of fire or any
8 other related casualty in California.

9 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
10 of 1991, or any other related casualty.

11 (8) Any loss sustained as a result of storm, flooding, or any
12 other related casualty occurring in February 1992 in California.

13 (9) Earthquake, aftershock, or any other related casualty
14 occurring in April 1992 in the County of Humboldt.

15 (10) Riots, arson, or any other related casualty occurring in
16 April or May 1992 in California.

17 (11) Any loss sustained as a result of the earthquakes or any
18 other related casualty that occurred in the County of San
19 Bernardino in June and July of 1992.

20 (12) Any loss sustained as a result of the Fountain Fire that
21 occurred in the County of Shasta, or as a result of either of the
22 fires in the Counties of Calaveras and Trinity that occurred in
23 August 1992, or any other related casualty.

24 (13) Any loss sustained as a result of storm, flooding, or any
25 other related casualty that occurred in the Counties of Alpine,
26 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
27 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
28 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
29 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
30 Fillmore in January 1993.

31 (14) Any loss sustained as a result of a fire that occurred in the
32 Counties of Los Angeles, Orange, Riverside, San Bernardino,
33 San Diego, and Ventura, during October or November of 1993,
34 or any other related casualty.

35 (15) Any loss sustained as a result of the earthquake,
36 aftershocks, or any other related casualty that occurred in the
37 Counties of Los Angeles, Orange, and Ventura on or after
38 January 17, 1994.

1 (16) Any loss sustained as a result of a fire that occurred in the
2 County of San Luis Obispo during August of 1994, or any other
3 related casualty.

4 (17) Any loss sustained as a result of the storms or flooding
5 occurring in 1995, or any other related casualty, sustained in any
6 county of this state subject to a disaster declaration with respect
7 to the storms and flooding.

8 (18) Any loss sustained as a result of the storms or flooding
9 occurring in December 1996 or January 1997, or any related
10 casualty, sustained in any county of this state subject to a disaster
11 declaration with respect to the storms or flooding.

12 (19) Any loss sustained as a result of the storms or flooding
13 occurring in February 1998, or any related casualty, sustained in
14 any county of this state subject to a disaster declaration with
15 respect to the storms or flooding.

16 (20) Any loss sustained as a result of a freeze occurring in the
17 winter of 1998-99, or any related casualty, sustained in any
18 county of this state subject to a disaster declaration with respect
19 to the freeze.

20 (21) Any loss sustained as a result of an earthquake occurring
21 in September 2000, that was included in the Governor's
22 proclamation of a state of emergency for the County of Napa.

23 (22) Any loss sustained as a result of the Middle River levee
24 break in San Joaquin County occurring in June 2004.

25 (23) Any losses sustained as a result of the fires that occurred
26 in the Counties of Los Angeles, San Bernardino, Riverside, San
27 Diego, and Ventura in October and November 2003, or as a
28 result of floods, mudflows, and debris flows, directly related to
29 fires.

30 (24) Any losses sustained in the Counties of Santa Barbara and
31 San Luis Obispo as a result of the San Simeon earthquake,
32 aftershocks, and any other related casualties.

33 (25) Any losses sustained as a result of the wildfires that
34 occurred in Shasta County, commencing August 11, 2004, and
35 any other related casualty.

36 (26) Any loss sustained in the Counties of Kern, Los Angeles,
37 ~~Orange, Riverside, San Bernardino, San Diego, Santa Barbara,~~
38 *Santa Barbara*, and Ventura as a result of the severe rainstorms,
39 related flooding and slides, and any other related casualties, that

1 occurred in December 2004, January 2005, February 2005,
2 ~~March 2005, or June 2005 or March 2005.~~

3 *(27) Any loss sustained in the Counties of Orange, Riverside,*
4 *San Bernardino, and San Diego as a result of the severe*
5 *rainstorms, and related flooding, slides, and other events, that*
6 *occurred in December 2004, January 2005, February 2005,*
7 *March 2005, or June 2005.*

8 (b) (1) In the case of any loss allowed under Section 165 of
9 the Internal Revenue Code, relating to losses, any excess disaster
10 loss shall be carried forward to each of the five taxable years
11 following the taxable year for which the loss is claimed.
12 However, if there is any excess disaster loss remaining after the
13 five-year period, then the applicable percentage, as set forth in
14 paragraph (1) of subdivision (b) of Section 24416, of that excess
15 disaster loss shall be carried forward to each of the next 10
16 taxable years.

17 (2) The entire amount of any excess disaster loss as defined in
18 subdivision (c) shall be carried to the earliest of the taxable years
19 to which, by reason of subdivision (b), the loss may be carried.
20 The portion of the loss which shall be carried to each of the other
21 taxable years shall be the excess, if any, of the amount of excess
22 disaster loss over the sum of the net income for each of the prior
23 taxable years to which that excess disaster loss is carried.

24 (c) "Excess disaster loss" means a disaster loss computed
25 pursuant to Section 165 of the Internal Revenue Code, which
26 exceeds the net income of the year of loss or, if the election
27 under Section 165(i) of the Internal Revenue Code is made, the
28 net income of the year preceding the loss.

29 (d) The provisions of this section and Section 165(i) of the
30 Internal Revenue Code shall be applicable to any of the losses
31 listed in subdivision (a) sustained in any county or city in this
32 state which was proclaimed by the Governor to be in a state of
33 disaster.

34 (e) Any corporation subject to the provisions of Section 25101
35 or 25101.15 that has disaster losses pursuant to this section, shall
36 determine the excess disaster loss to be carried to other taxable
37 years under the principles specified in Section 25108 relating to
38 net operating losses.

(f) Losses allowable under this section may not be taken into account in computing a net operating loss deduction under Section 172 of the Internal Revenue Code.

(g) For losses described in paragraphs (15) to (26), inclusive, of subdivision (a), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the taxable year in which the disaster occurred.

SEC. 8. The Legislature finds and declares that this act fulfills a statewide public purpose because of both of the following:

(a) The Governor of California has officially proclaimed a state of emergency declaring that the severe rainstorms, flash floods, mudslides, accumulation of debris, and washed-out and damaged roads that occurred within the Counties of ~~Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura~~ *Orange, Riverside, San Bernardino, and San Diego* during December 2004 and January 2005, were natural disasters, thus qualifying affected persons for various forms of governmental assistance and relief.

(b) The Governor of California has officially proclaimed a state of emergency declaring that the continuing severe rainstorms, flash floods, mudslides, sinkholes, accumulation of debris, and washed-out and damaged roads that occurred within the Counties of ~~Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura~~ *and San Diego* were natural disasters, thus qualifying affected persons for various forms of governmental assistance and relief.

(c) This act is consistent with, and supplements, the proclaimed disaster assistance and relief by providing necessary fiscal assistance and tax relief to affected jurisdictions and persons to allow them to maintain essential basic services and repair damage to, and restore, their homes and businesses.

SEC. 9. It is the intent of the Legislature to provide in the annual Budget Act those additional reimbursements to local governments that, as a result of Section 5 of this act, are required by Section 25 of Article XIII of the California Constitution.

SEC. 10. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement

1 to local agencies and school districts for those costs shall be
2 made pursuant to Part 7 (commencing with Section 17500) of
3 Division 4 of Title 2 of the Government Code.

4 SEC. 11. (a) Section 5.5 of this bill incorporates amendments
5 to Section 218 of the Revenue and Taxation Code proposed by
6 this bill, Assembly Bill 18, and Assembly Bill 164. It shall only
7 become operative if (1) all three bills are enacted and become
8 effective on or before January 1, 2006, (2) all three bills amend
9 Section 218 of the Revenue and Taxation Code, and (3) this bill
10 is enacted after Assembly Bill 18 or Assembly Bill 164, in which
11 case Section 218 of the Revenue and Taxation Code, as amended
12 by Assembly Bill 18 or Assembly Bill 164, shall remain
13 operative only until the operative date of this bill, at which time
14 Section 5.5 of this bill shall become operative, and Section 5 of
15 this bill shall not become operative.

16 (b) Section 6.5 of this bill incorporates amendments to Section
17 17207 of the Revenue and Taxation Code proposed by this bill,
18 Assembly Bill 18, and Assembly Bill 164. It shall only become
19 operative if (1) all three bills are enacted and become effective on
20 or before January 1, 2006, (2) all three bills amend Section 17207
21 of the Revenue and Taxation Code, and (3) this bill is enacted
22 after Assembly Bill 18 or Assembly Bill 164, in which case
23 Section 17207 of the Revenue and Taxation Code, as amended
24 by Assembly Bill 18 or Assembly Bill 164, shall remain
25 operative only until the operative date of this bill, at which time
26 Section 6.5 of this bill shall become operative, and Section 6 of
27 this bill shall not become operative.

28 (c) Section 7.5 of this bill incorporates amendments to Section
29 24347.5 of the Revenue and Taxation Code proposed by this bill,
30 Assembly Bill 18, and Assembly Bill 164. It shall only become
31 operative if (1) all three bills are enacted and become effective on
32 or before January 1, 2006, (2) all three bills amend Section
33 24347.5 of the Revenue and Taxation Code, and (3) this bill is
34 enacted after Assembly Bill 18 or Assembly Bill 164, in which
35 case Section 24347.5 of the Revenue and Taxation Code, as
36 amended by Assembly Bill 18 or Assembly Bill 164, shall
37 remain operative only until the operative date of this bill, at
38 which time Section 7.5 of this bill shall become operative, and
39 Section 7 of this bill shall not become operative.

1 SEC. 12. This bill shall not become operative unless both this
2 bill and Assembly Bill 164 are chaptered and become effective
3 on or before January 1, 2006. If Assembly Bill 164 is not
4 chaptered and does not become effective on or before January 1,
5 2006, this bill shall not become operative.

6 SEC. 13. This act is an urgency statute necessary for the
7 immediate preservation of the public peace, health, or safety
8 within the meaning of Article IV of the Constitution and shall go
9 into immediate effect. The facts constituting the necessity are:

10 In order to timely provide essential relief to those persons and
11 jurisdictions who have suffered damage or loss as a result of the
12 series of severe rainstorms that occurred in California during
13 December 2004 and January 2005, and that continued through
14 February of 2005 and March of 2005, it is necessary that this act
15 take effect immediately.